

W. Front St. Overlay District



Recommendations for More Walkable Downtown Development

Peter & Douglas Allen

Presentation to Traverse City Planning Commssion January 12th, 2016



Public Policy Goals

- Why the need for Millennial Workforce Housing.
- Build on downtown Traverse City's qualities, sense of place.
- Attract Millennials, which, in turn, will attract Employers.
- And they will also buy your single family homes as they age in place.

Public Policy Goals Cont.

- Need to expand & connect downtown retail
- Diverse housing options for all demographics
- Need for multi modal options + parking decks
- Need for proper height transitions to residential neighborhoods
 - Appropriate heights/densities

Changes To W. Front St. Over Next 15 Years

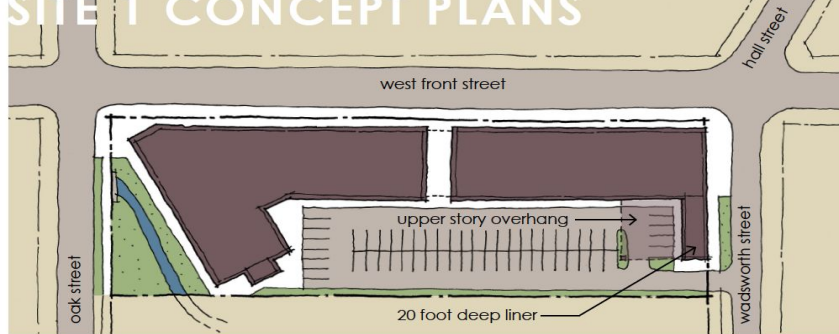
- Redevelop surface parking lots into mixed use
 - All building with retail at the first floor for an exciting sidewalk experience
- Allow higher densities, making alternative transportation and walking a reality
- TC continuing to lead Northwest MI in high quality living
- Economic development bringing higher-wage jobs to area
- Ann Arbor to Traverse City train connections desirable

Current Traverse City Real Estate Values

- Strong retail market in the downtown core, but how deep is the market?
 - Increasing downtown retail as much as 20% with Red Mill development
- Condo market very strong (sales within \$300-400/SF).
- Rental housing: rents must be 50% higher if no subsidy
 - Rents currently \$1.50/SF/Mo. in this submarket of TC
 - \$765/Mo. for a 500 SF Studio, which equates to someone making \$31K/Yr.
 - Rents need to be about \$2.20/SF/Mo. to make new construction work.
 - \$1120/Mo. for a 500 SF studio, which equates to someone making \$44K/Yr.

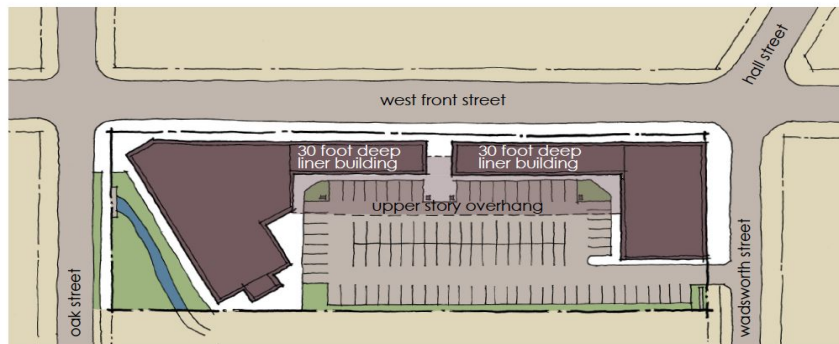
Feedback from Local Developers

- Parking maximums may not allow for adequate parking, esp to condos:
 - Solution: Need to drill down to what parking maximums are consistent with marketability of various uses, sites; *each site and use is different, and each site will change over time.*
- Private Developers with various levels of distrust in the process.
 - Solution: Need as many design variables to be as absolute and consistent as possible to give developers faith that they will not be treated unfairly.
- Strategic decision makers might not support increased density.
 - Solution: Need more consensus/champions for workforce & Millennial housing and how density supports a more economically viable, walkable downtown.



SITE 1, option 1 (in Main Street Context Area, with 3 story maximum height)

Ground floor retail: 37,000 square feet
 Residential use: 40,000 square feet per upper floor = 40 units per floor x 2 floors = 80 units
 Parking maximum: 74 spaces for retail and 80 spaces for residential = 154 spaces, maximum
 Parking depicted: 57 spaces (38% of maximum)



SITE 1, option 2 (in Main Street Context Area, with 3 story maximum height)

Ground floor retail: 30,000 square feet
 Residential use: 40,000 square feet per upper floor = 40 units per floor x 2 floors = 80 units
 Parking maximum: 60 spaces for retail and 80 spaces for residential = 140 spaces, maximum
 Parking depicted: 93 spaces (66% of maximum)

MIXED-USE BUILDING TYPE

- ▶ 70 feet deep typical
- ▶ Liner buildings depicted as 20 or 30 feet deep on Site 1, as noted.
- ▶ Upper residential units on liner buildings overhang parking (indicated by dashed line)
- ▶ storefront frontage
- ▶ retail use at ground floor
- ▶ residential on upper floors
- ▶ building is limited to 3 story maximum

Buildings at Front Street are depicted as setback 4 feet

Parking maximum calculation is based on 2 spaces per 1,000 square feet of retail and 1 space per dwelling unit

Site 1 is approximately 500' at Front Street and 170' deep = 85,000 square feet (1.95 acres)

Possible Site Plan, 441 W. Front Overlay District



KEY MAP

December 9, 2015



0 50' 100' 200' scale 1" = 100'

Highlights from Feasibility Analysis of 441 W. Front

- Current market rents will not support private development without incentives.
 - 1 Solution: Reduce parking ratios and reduce the size of the residential units.
 - Need more jobs that pay approx 30% higher.
- Retail Condos could be very attractive here to attract established retailers
- Max out retail at grade rather than more parking
- Reduce residential parking ratios

Economic Impact of Supplying Parking Onsite

- Cost of Building Parking

- \$35-45K for Underground
- \$17-25K for Parking Deck
- \$10K for Surface Parking



- Building parking, usually, does not make economic sense for a developer

- A \$25K parking spot translates to about \$200 per month in rent. The market will usually not pay the actual cost of building and operating a parking space in a deck.

How Car Ownership Affects Affordability of Housing

Leading Industries*		Per Year	Per Month	Per Hour	30% Allowance for Housing	\$/SF/Mo. (based on 500 SF Apt.)	Lost Wages Due to Commute	Cost of Car Ownership Per Month*	Cost of Parking Per Month (Est.)	Increased Income Per Month (Not Including Lost wages)	New Housing Allowance at 30%	Rent Per Month Per 500/SF
Retail Trade (16.8%)	812/4 =	\$18,407	\$1,534	\$9.59	\$460	\$0.92	\$96	\$471	\$100	\$2,105	\$632	\$1.26
Health Care & Social Assistance	751/4 =	\$29,982	\$2,499	\$15.62	\$750	\$1.50	\$156	\$471	\$100	\$3,070	\$921	\$1.84
Professional, Scientific & Technical	211/4 =	\$31,011	\$2,584	\$16.15	\$775	\$1.55	\$162	\$471	\$100	\$3,155	\$947	\$1.89
Construction (10.0%)	558/4 =	\$36,410	\$3,034	\$18.96	\$910	\$1.82	\$190	\$471	\$100	\$3,605	\$1,082	\$2.16
Other Services (except Public Administration)	225/4 =	\$19,337	\$1,611	\$10.07	\$483	\$0.97	\$101	\$471	\$100	\$2,183	\$655	\$1.31
Total		\$27,029	\$2,252	\$14.08	\$675.73	\$1.35	\$141	\$471	\$100	\$2,824	\$847	\$1.69

* Based on county data from US Census Bureau County Business Patterns (CBP) program and the 2010 Census. CBP data for 2012 were released in May, 2014. We used 65% of this based on the demographic in question

- Without cost for a vehicle Average Housing Allowance goes up \$160 per month

Presentation to Traverse City Planning Commission January 12th, 2016

Thank you MML, Planning Commission of Traverse City, and Influence Design Forum for the opportunity to work with you on this project.

Presentation to Traverse City Planning Commssion January 12th, 2016

